Foreign Agricultural Service
GAIN Report
Global Agriculture Information Network

Required Report - public distribution

Date: 9/13/2002

GAIN Report #BU2014

Bulgaria

Livestock and Products

Annual

2002

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Report Highlights:
Bulgarian livestock industry faced feed shortages in CY2000/01 which led to reduction in animal numbers and meat shortages. Good feed supply in CY2002 is expected to change this trend. Reforms in the sector led to higher commercialization and improved quality of products, especially in the pork industry. Meat imports which were record high in CY2001 totaling 37,000 MT, and are expected to continue due to increasing demand for better quality cuts to meet the needs of developing food service and meat processing sectors. U.S. opportunities for meat exports continue to be excellent for high quality beef steaks and pork for processing due to favorable demand and liberal veterinary policy.

Includes PSD changes: Yes
Includes Trade Matrix: Yes
Annual Report
Sofia [BU1], BU

Singapore [SN1], BU

Executive Summary

Over the last three years (CY2000 - CY2002), Bulgarian livestock industry faced a number a challenges related to the short supply and high prices of feed due to drought in CY2000 and CY2001; reduced number of animals, mainly in small to medium sized farms; stagnant consumer income; faster development of the retail and food service sectors which led to a development in meat demand; new GOB policies targeting harmonization with EU veterinary legislation and implementation of international food safety standards.

The livestock and meat industries had to undertake major transformations and restructuring related to new investment in improved breeds; better quality of meat; adoption of stringent hygiene practices; and development of new marketing strategies. This process negatively affected family farms, usually of small and medium size, while large commercially oriented farms were able to survive and specialize their production for certain market segments. It can be stated that after almost 12 years of transformation, the livestock industry is finding the right way of development by professional and knowledgeable management. As a result, it is expected that some revitalization of the overall sector can be expected by 2003.

The number of livestock continued to slide down as the reduction for various livestock types in 2002 compared to 2000 were: 7 percent for cattle and cows; 14 percent for swine and 30 percent for sows; 14 percent for sheep and 5 percent for goats. The reduction was mainly due to feed shortages. Since feed accounts on average for 68 to 75 percent in production cost, most inefficient farms were not able to maintain the volume of production. This livestock reduction affected smaller farms and led to reduction in overall meat supply which was compensated by increased imports. Rural on-farm production and consumption were most affected by the above trends since meat imports were directed for the commercial market concentrated in urban areas.

The dominating trend in the meat industry in CY2000 and CY2001 was the increasing competition. Many meat processors developed contracts for the purchase of livestock that requires producers to meet very stringent requirements for quality and regular deliveries. Meat processors correspondingly increased the assortment of products, quality and marketing. The competition between local supply and imports also became more acute. Although price is still a dominating factor in local marketing and the key factor for imports, quality requirements started to play an increasingly important role in purchases.

At the same time, rather stagnant mass consumer income combined with the fast development of the food service sector, opened new competition niches and forced local industry to be innovative in elaborating the marketing strategies and new products for various market segments. As a result, the specialization of meat processing companies increased and the demand for meat and meat cuts became more sophisticated. It allowed both local producers and importers to be able to switch to more medium and long term planing of their business.

Meat supply in CY2002 are expected to be slightly higher for beef, significantly higher for pork and stable for mutton/lamb and goat meat. This will contribute to stable beef and mutton/lamb/goat meat consumption and higher consumption of pork. It is very likely that the size of the commercial meat market will increase while on-farm consumption may stabilize at lower levels. The major factors stimulating better and less expensive meat supply is the abundant feed crop in 2002 for all major grains - wheat, corn and barley.

Meat imports in CY2001 were record high due to lower local supply and high domestic meat prices. Another factor was higher demand for certain cuts and better quality, especially for pork. Thus, total meat imports in CY2000 were 19,000 MT (beef, pork, mutton/lamb/goat) or 13 percent lower than in 1999 due to the ban on imports from a number of EU countries as a result of BSE and FMD. In 2001, imports reached 37,000 MT or almost doubled as both beef and pork imports increased by almost 100 percent: beef from 8,000 MT to 15,000 MT; and pork from 11,000 MT to 22,000 MT. In overall meat imports in 2001, pork accounted for 60 percent - mainly frozen pork meat and pork fat.

The forecast for CY2002 is for lower meat imports which is related to higher meat supply compared to CY2001; and lower domestic prices for beef and pork which makes locally produced meat more attractive than imported. The AgSofia forecast for imports for CY2002 in PSD tables is a "pessimistic scenario", therefore, beef and pork imports for CY2002 are likely to exceed PSD numbers. For example, beef imports for the first half of 2002 are about 9,000 MT with projected annual imports of 13,000 MT (15,000 MT in 2001). Pork imports for the first half of 2002 were also about 9,000 MT with a projected annual imports of 12,000 MT. The latest not official industry reports for July and August show imports of 3,000 MT of pork or total 12,000 MT until September.

The United States beef meat market share in CY2001 was 2.2 percent. The major imported items were beef trimmings for processing. The most successful were the first imports of high quality U.S. beef steaks which are currently offered in the top four hotels/restaurants.

Bulgarian imports of U.S. pork in CY2001 were 10-fold higher than in CY2000 and reached 472 MT or 2.1 percent of total imports. In the first months in 2002, the U.S. took an advantage from the reduced duty import quota and registered 4-fold increase over CY2001 to reach 2,000 MT or 22 percent of total imports for the first half of 2002. This market share is not likely to be maintained for the whole year due to 7,500 MT duty free import quota for EU origin pork in the second half of the year.

The prospects for U.S. meat, both beef and pork for processing as well as higher quality beef steaks for direct consumption, are very good. In CY2002, the Bulgarian Vet Service agreed with USDA/FSIS on new import certificates for U.S. meat and meat products which will allow entry of U.S. meats until Bulgaria becomes a full member of the EU (estimated not earlier than 2007). Slowly but steadily increasing consumer income as well as development of the food service sector and tourism will continue to stimulate demand for more and better quality meats.

Note: This report is an update of the last AgOffice report dated 1999. Therefore, the reports includes word perfect format PSD tables for CY2000 and regular GAIN format PSD tables for CY2001- CY2003. Information in this report is based on data from the Ministry of Agriculture, Bulgarian Customs, National Statistical Institute, independent consulting companies, industry associations and AgOffice estimates. Trade data in GAIN trade matrixes for 2002 is partial data for the fist six months (not a full year as the column title says).

Cattle, Beef and Veal

PSD Tables for Cattle, Animal Numbers and Meat, Beef and Veal for CY2000

PSD Cattle, Animal Numbers, CY2000, 1000 head		PSD, Meat, Beef and Veal, CY2000, 1000 MT	
Total Cattle Beg. Stks	691	Slaughter (Reference)	386
Dairy Cows Beg. Stocks	440	Beginning Stocks	5
Beef Cows Beg. Stocks	0	Production	67
Production (Calf Crop)	440	Intra EC Imports	
Intra EC Imports	0	Other Imports	8
Other Imports	0	TOTAL Imports	8
TOTAL Imports	0	TOTAL SUPPLY	80
TOTAL SUPPLY	1131	Intra EC Exports	0
Intra EC Exports	0	Other Exports	0
Other Exports	42	TOTAL Exports	0
TOTAL Exports	42	Human Dom. Consumption	70
Cow Slaughter	0	Other Use, Losses	2
Calf Slaughter	386	TOTAL Dom. Consumption	72
Other Slaughter	386	Ending Stocks	8
Total Slaughter	386	TOTAL DISTRIBUTION	80
Loss	56		
Ending Inventories	647		
TOTAL DISTRIBUTION	1131		

PSD Table, Cattle, Animal Number

PSD Table						
Country	Bulgaria					
Commodity	Animal Numbers, Cattle				(1000 HEAD)	
	Revised	2001	Preliminary	2002	Forecast	2003
	Old	New	Old	New	Old	New
Market Year Begin		01/2001		01/2002		01/2003
Total Cattle Beg. Stks	697	647	684	640	662	600
Dairy Cows Beg. Stocks	447	424	445	410	0	406
Beef Cows Beg. Stocks	0	0	0	0	0	0
Production (Calf Crop)	450	424	440	410	0	406
Intra EC Imports	0	0	0	0	0	0
Other Imports	0	0	0	0	0	0
TOTAL Imports	0	0	0	0	0	0
TOTAL SUPPLY	1147	1071	1124	1050	662	1006
Intra EC Exports	0	0	0	0	0	0
Other Exports	1	24	1	22	0	20
TOTAL Exports	1	24	1	22	0	20
Cow Slaughter	0	0	0	0	0	0
Calf Slaughter	0	0	0	0	0	0
Other Slaughter	440	353	440	376	0	350
Total Slaughter	440	353	440	376	0	350
Loss	22	54	21	52	0	50
Ending Inventories	684	640	662	600	0	586
TOTAL DISTRIBUTION	1147	1071	1124	1050	0	1006
Calendar Yr. Imp. from U.S.	0	0	0	0	0	0
Calendar Yr. Exp. to U.S.	0	0	0	0	0	0

PSD, Meat, Beef and Veal

PSD Table						
Country	Bulgaria					
Commodity	Meat, Beef and Veal				(1000 MT CWE)(1000 HEAD)	
	Revised	2001	Preliminary	2002	Forecast	2003
	Old	New	Old	New	Old	New
Market Year Begin		01/2001		01/2002		01/2003
Slaughter (Reference)	440	353	440	376	0	350
Beginning Stocks	8	8	5	5	5	4
Production	91	62	90	65	0	61
Intra EC Imports	0	0	0	0	0	0
Other Imports	18	15	18	13	0	16
TOTAL Imports	18	15	18	13	0	16
TOTAL SUPPLY	117	85	113	83	5	81
Intra EC Exports	0	0	0	0	0	0
Other Exports	0	0	0	0	0	0
TOTAL Exports	0	0	0	0	0	0
Human Dom. Consumption	108	77	104	76	0	75
Other Use, Losses	4	3	4	3	0	2
TOTAL Dom. Consumption	112	80	108	79	0	77
Ending Stocks	5	5	5	4	0	4
TOTAL DISTRIBUTION	117	85	113	83	0	81
Calendar Yr. Imp. from U.S.	0	0	0	0	0	0
Calendar Yr. Exp. to U.S.	0	0	0	0	0	0

Import Trade Matrix, Cattle, Animal Numbers, CY2000 and CY2001

Import Trade Matrix					
Country	Bulgaria		Units:	numbers of heads	
Commodity	Animal Numbers, Cattle		Partial Begin		
			Partial End		
Imports for:	2000	2001	2002	2000	2001
	Full	Full	Full	Partial	Partial
U.S.					
Others					
Germany	33	33			
The Netherlands	35	0			
Austria	0	33			
Total for Others	68	66	0	0	0
Others not Listed					
Grand Total	68	66	0	0	0

Export Trade Matrix, Cattle, Animal Numbers, CY2000 and CY2001

Export Trade Matrix					
Country	Bulgaria		Units:	numbers of heads	
Commodity	Animal Numbers, Cattle		Partial Begin		
			Partial End		
Exports for:	2000	2001	2002	2000	2001
	Full	Full	Full	Partial	Partial
U.S.					
Others					
Lebanon	21418	8255			
Yugoslavia	7130	4441			
Jordan	13041	11524			
Total for Others	41589	24220	0	0	0
Others not Listed	26	0			
Grand Total	41615	24220	0	0	0

Import Trade Matrix, Meat, Beef and Veal, CY2000, CY2001 and partial CY2002

Import Trade Matrix					
Country	Bulgaria		Units:	metric tons	
Commodity	Meat, Beef and Veal		Partial Begin		
			Partial End		
Imports for:	2000	2001	2002	2000	2001
	Full	Full	Full	Partial	Partial
U.S.	0	329	1		
Others					
Germany	2138	224	99		
Argentina	1225	1209	2406		
Brazil	1009	9226	5135		
Spain	682	132	0		
Poland	288	377	77		
Australia	385	818	264		
Czech Republic	131	2260	523		
Norway	682	0	0		
Romania	0	0	162		
Total for Others	6540	14246	8666	0	0
Others not Listed	1477	686	128		
Grand Total	8017	15261	8795	0	0

Export Trade Matrix, Meat, Beef and Veal, CY2000, CY2001 and partial CY2002

Export Trade Matrix					
Country	Bulgaria		Units:	metric tons	
Commodity	Meat, Beef and Veal		Partial Begin		
			Partial End		
Exports for:	2000	2001	2002	2000	2001
	Full	Full	Full	Partial	Partial
U.S.					
Others					
Lebanon	30	0	0		
Malta	6	4	3		
Yugoslavia	23	29	11		
Macedonia	0	50	301		
Total for Others	59	83	315	0	0
Others not Listed	44	47	16		
Grand Total	103	130	331	0	0

Cattle

The data in the PSD table for cattle was revised based on final official figures for cattle and cow numbers as of January 1, CY2000 to CY2002. In CY2001, the official data collection was transferred from the National Statistical Institute to the MinAg which resulted in some differences in methodology and reported numbers by various institutions. The latest reported numbers for cattle by the MinAg were dated July 1, 2002 and are for 607,663 cattle of which 406,020 cows, a number which is very close to AgOffice estimate for January 1, 2003. For the period 2000-2002, the number of cattle declined 8 percent and further decline to 600,000 head is expected to take place by CY2003.

The decline was due to feed shortages in the last two dry years. Another key factor is the fluctuations in milk prices and lack of significant growth of the dairy market which could stimulate cattle production (all cattle in Bulgaria are dairy cattle). The reduction in numbers occurred mainly in small/medium sized family farms and not in larger farms which reported stable numbers or slight growth.

The calf crop for the period 2000-2002 is based on 100 percent for so called "feeder cows" which corresponds to the methodology for cattle numbers. The number of slaughtered animals is obtained as a remaining figure after deducting loss rate which is estimated at average 5 percent for the country in that period. In general, the percent of slaughtered animals is in the range of 33-35 percent of total supply. The slaughtering and loss rates in the last two years were reported to be slightly higher than usual due to feed shortages, mainly in non commercial farms. Traditionally in Bulgaria, feed shortages lead to higher slaughtering rates due to still high share of small/medium farms producing for on farm consumption.

There were no significant imports of live cattle for 2000-2002. Exports of live cattle in 2000 and 2001 were simulated by the fact that Bulgaria was considered free of BSE. Practically, all exported cattle were for slaughtering and not for breeding purposes.

The beef/veal production data in the PSD table is based on the slaughter data from the PSD table for cattle numbers and the estimated average live weight at slaughtering.

Production factors

Feedstuffs

Both CY2000 and CY2001 were dry years with insufficient grain/feed production. Prices of feed grains increased significantly in 2001 (see Table #2) by 20 percent for feed corn, 18 percent for feed wheat and 19 percent for feed barley. Corn prices were the highest compared to other feed grains as the average CY2001 price was $120/MT. In addition, feed grains were not readily available due to short supply and export demand.

At the same time, stagnation in consumer income did not allow significant increase in retail prices and any such increase was leading to further decline in consumer demand. Higher prices of feed forced many farms to reduce their animal numbers and thus meat production declined. Cattle/beef and sheep/goat sectors were less affected due to grass pasturing alternatives.

In CY2002, grain crop is expected to be significantly better. Higher planted areas to wheat and barley resulted in higher supply of both crops. Corn, although planted under smaller total area in CY2002, is expected to have the same production level as in CY2001 due to abundant rain. At the same time, export demand is available for higher milling quality grains which is leaving feed in good supply within Bulgaria. As a result, ex-farm feed wheat prices dropped to the lowest over the last 4-years level to 80 Bleva/MT-110 Bleva/MT ($40-55/MT). Barley prices are also low. The low wheat and barley prices are expected to lower corn prices as well. Therefore, it is estimated that most livestock farmers will reduce slaughter rates and will keep animals for longer periods for production of milk since milk prices are forecasted to remain stable at CY2001 levels.

Structure of cattle farms in Bulgaria in CY2000				
	1-2 cows	2-5 cows	5-15cows	More than 15 cows
Numbers of farms	480	770	100	50
Percent of total number of farms	34	55	8	3

The category of the largest farms with more than 50 cows accounts for only 3 percent of total number of cows but produces the largest share in total meat production. Usually, these are farms with 150-200 cows. Cattle farms are concentrated in south central region, 36 percent; north east region, 20 percent; and in north central region, 20 percent.

Production cost

Production cost of cattle in USD per a kilo in LWE for the period 1998-2001				
	1998	1999	2000	2001
Cattle	0.91	1.13	0.85	0.86

Production cost of cattle in CY2000 and CY2001 was lower than in CY1999 and CY1998. This is a interesting trend in the background of increasing feed prices in the last two years. This controversy is a result of the fact that the share of large, more commercially oriented farms, in CY2000/01 increased. Therefore, despite higher feed prices, professional management was able to reduce production costs, and thus average production cost for cattle in the country is lower. At the same time, production cost in small/medium size farms was higher and motivated them to slaughter.

Prices

Ex-farm prices of live cattle were higher in CY2000 and CY2001 compared to the previous years. Higher prices in 2001 motivated smaller farms to slaughter, especially in CY2001 when ex farm prices increased on average 20 percent for calves and 24 percent for cattle (Table#3). Higher prices in CY2001 were primarily a result of an overall shortage of meat.

Credit and Subsidies

Most banks request 120-150 percent or higher collateral. Based on the stringent banking laws, the average annual rates are above 12 percent. This makes farming extremely difficult business when no alternative financing is available. The GOB via State Fund Agriculture does not have any significant support credit lines for the development of the cattle sector except for a small subsidy for high quality fresh milk and soft credit lines for purchase of breeding stocks. Small credit lines exist for purchase of equipment for livestock farms and for construction/reconstruction of existent livestock farms. There are no subsidies for cattle farmers, or any target programs to encourage beef meat production.

The GOB hopes that most farms in Bulgaria will take an advantage of EU-SAPARD program (52 million Euro per year for 6 years) which extends preferential credit and subsidies for any projects related to agribusiness. The program pays a subsidy of 50 percent after completion of projects. There are several obstacles in utilization of these funds: the receiver should invest the whole amount at 100 percent in advance to make a purchase, construct a farm or complete a project; 50 percent of total amount is refunded only after the project is completed. Since commercial banks are reluctant to provide credits, it is difficult for most applicants for make advance financing of their projects. Another problem is that EU funds are destined for relatively large commercially oriented farms or for well organized groups of farmers, thus, small to medium size farms have restrictions which will prevent further investment and will make them even more inefficient in the future.

Production Problems

There were several cases of bovine tuberculosis (TB) and anthrax found on cattle, however, the preventive measures were taken in time. Since 1998, the country has been ear-marking cattle, sheep and goats. This initiative is sponsored by the EU program PHARE and by CY2002 was completed for cattle and about 60 percent completed for sheep and goats. This requirement must be met for Bulgaria to export livestock to the EU.

Bulgaria is currently known to be free of BSE. No cases were registered either in last several years or before. In general, Bulgarian cattle farmers do not use meat and bone meal in their feed formulations. Bulgaria is also not a significant market for imported cattle.

Beef Meat Production

Meat production in this report is estimated based in PSD of animal numbers and produced meat from slaughtered animals using the average registered slaughter indexes in slaughter houses and on farms. Due to large non commercial meat sector at 50-60 percent of total production which does not produce any official statistical data, these estimates are based on experts and industry data. AgOffice/Sofia estimates for meat production are different from official MinAg figures which are not based on supply and demand methodology. In general, there are a number of different official estimates produced from various state institutions such as the Ministry of Agriculture, National Statistical Institute etc. Often, the industry groups disagree with the official numbers which they find often contradictory to market demand and price trends. According to USDA methodology, Bulgarian meat production in the period 2000-2002 is lower than the official MinAg estimates as the most significant discrepancy is noticed for CY2001.

Comparison between AgOffice estimates and official MinAg estimates for meat production in CY2000, CY2001 and CY2002, in thousand metric tons

	2000		2001		2002	
	AgOffice	MinAg	AgOffice	MinAg	AgOffice	MinAg
Beef	67	73	62	75	65	82
Pork	224	243	121	237	180	240
Mutton/ Lamb	63	59	52	62	51	70
Poultry	106	106	106	106	108	110
Total	460	481	341	480	404	502

Average live weight (LWE) for cattle in the PSD table for CY2002 and CY2003 is 380 MT per head or 174 kilos carcass weight (CWE) per head which is based on the average for the last 5 years. This indicator is registered in slaughter houses in CY2000 and CY2001 for cattle on average which includes calves, heifers, cows, bulls up to 2 years age and above 2 years age and buffalo (see the table below).

Average Slaughter Indexes in Bulgarian slaughterhouses in CY2000 and CY2001						
	2000			2001		
	Average LWE, kilos	Average CWE, kilos	Average CWE/LWE percent	Average LWE, kilos	Average CWE, kilos	Average CWE/LWE percent
Cattle	384	173	0.45	374	174	0.47
Swine	108	73	0.68	93	60	0.64
Sheep	45	22	0.49	45	22	0.49
Lamb	24	11	0.47	23	12	0.49
Goat	27	13	0.47	22	11	0.50

AgOffice estimates for meat production and consumption shown in GAIN tables for the period CY2001-2003 and the additional tables in the text report for CY2000, are summarized in the table below:

Production of meat in CY2000-CY2003 in thousand metric tons				
	2000	2001	2002	2003F
Beef	67	62	65	61
Pork	224	121	180	150
Mutton, Lamb	63	52	51	50
Poultry	106	106	108	110
Total meat	460	341	404	371
Total red meat	354	235	296	261
Consumption of meat in CY2000 - CY2003 in thousand metric tons				
Beef	70	77	76	75
Pork	227	142	190	170
Mutton, Lamb	49	45	44	43
Poultry	122	123	125	130
Total meat	468	387	435	418

Total red meat	346	264	310	288

Note: Poultry figures for production and consumption are FAS estimates based on data from the Bulgarian Ministry of Agriculture, Association of Poultry Producers and local poultry trade. There are shown for reference and are not a subject of this report.

Production of beef meet over the last 3 years was fluctuating, in a declining trend from 67,000 MT in CY2000 to 61,000 MT (forecast 2003). These figures are generally lower then the average beef met production in the period 1996-2000 when beef meat production was higher (between 70,000 MT and 80,000 MT).

Beef meat produced in Bulgaria is not from meat breeds. This is meat obtained from slaughtered dairy cattle. Therefore, its quality is not high and it is used mainly for processing. A very small portion of beef is destined for direct consumption as fresh meat in retail and food service outlets. However, there is not any established commercial supply of beef for direct consumption. In general, 90 percent of beef is produced in small to medium sized farms where the technology is outdated and efficiency is low.

Animals slaughtered at farms in CY2001 had different LWE and CWE compared to those in slaughter houses, depending on the purpose of slaughter. For example, cattle slaughtered at farms were average 118 kilos/head CWE compared 174 CWE kilos/head in slaughterhouses. This is due to the fact that this meat produce at farms is destined for on-farm consumption. Since the slaughtered breeds are only dairy breeds, meat from younger animals is more tender and better for direct consumption. At the same time, beef from dairy breeds produced at slaughter houses is destined mainly for processing and owners seek a better profit from volume rather than quality.

The average live weight for slaughtered cattle, mainly heifers and calves (and swine) registered a significant reduction in CY2001 compared to CY2000. This decline was a result of higher demand for meat and higher prices which motived farmers to seek for a fast return.

According to the slaughter houses records, despite the slight decrease in the number of slaughter heads (by 4.7 percent) in 2001, the meat output was reduced by more than 30 percent. The number of sheep and lamb slaughtered in slaughter houses increased (with 30,000 head) on the expense of a drop in slaughtered cattle and swine.

The number of operating slaughter houses in CY2001 were 209 or with 65 lower than in CY2000. In 2000, meat produced under official vet control was 7 percent higher than in 2001. Total officially registered meat output in 2001 from these slaughter houses is only 48,000 MT (69,000 MT in 2000) of meat compared to total red meat production in the country of 235,000 MT or only 20 percent. Total 2001 meat outputs under official vet control in slaughter houses AND on farms is 92,000 MT versus 142,000 MT under not registered/reported vet control.

Slaughter houses cover 85 percent of cattle, above 75 percent of sheep and goats and close to a 100 percent of swine slaughtered under a veterinary sanitary control. In the table below, it is shown that 65 percent of total beef and veal; 58 percent of pork and 60 percent of mutton, lamb and goat is produced in Bulgaria with not registered official vet control. This is meat produced for non commercial purposes and is consumed on farms and in rural areas but not via the official trade. It is estimated that the percent of meat produced under non registered official vet control is actually lower due to non registered activities of slaughter houses and inaccurate reports due to attempts to hide volume, turnover and taxes. However, this not registered meat output is under vet control in both subsections. Nevertheless, the significant size of non commercial meat production, about 60 percent, raises concerns with efficient vet monitoring and control requiring extra resources.

Meat output from slaughter houses in 2000 and 2001 in metric tons		
	2000	**2001**
From cattle	13,531	8,634
From buffalo	48	11
From sheep	6,487	6,895
From goats	21	367
From swine	48,753	31,850
Total	68,840	47,759

Meat production by sub-sectors in 2001 in metric tons				
	Meat output from slaughter houses	Meat output on farms under vet control	Meat output on farms with no reported official vet control	Total meat output
Beef	8,645	12,816	40,539	62,000
Pork	31,851	18,360	70,789	121,000
Mutton, Lamb and Goat	7,263	13,072	31,665	52,000
Total	47,759	44,248	142,993	235,000

According the MinAg records, 13 large slaughter houses produced 45 percent of meat; 56

percent of slaughter houses, small to medium sized, produced less than 8 percent of meat in 2000. Seven areas in the country produced more than 50 percent of total meat (and about 80 percent of mutton and lamb meat): Lovetch, Stara Zagora, Plovdiv, Blagoevgrad, Veliko Turnovo, Chaskovo and Silistra. Most slaughter houses process two to three types of meat. Ninety (90) slaughter houses which process beef, pork and mutton/lamb and account for 33 percent of total number of slaughter houses produce 47 percent of total meat output.

In CY2001, there was not a significant change in the production structure of slaughter houses. Bulgaria has 4 licensed EU slaughter houses, about 85 are licensed for exports to non EU countries and 121 slaughter houses work for the local market. Slaughter houses in 12 regions produced 75 percent of total meat. Almost half of total slaughtered animals are processed in 6 regions: Lovetch, Veliko Turnovo, Turgovishte, Razgrad, Silistra and Rousse.

Structure of slaughter houses in terms of meat output in 2000		
No license	Number of slaughter houses	5
	Meat output, MT	281
EU licensed for exports	Number of slaughter houses	5
	Meat output, MT	7,346
Licensed for exports to non EU countries	Number of slaughter houses	146
	Meat output, MT	26,111
Licensed for the local market	Number of slaughter houses	109
	Meat output, MT	34,228
Other	Number of slaughter houses	9
	Meat output, MT	873
Total	Number of slaughter houses	274
	Meat output, MT	68,840

Commercial Beef Production

Beef production is traditionally lower then consumption. This is due to the fact that Bulgaria is a net importer of beef. The commercial segment of beef meat production in CY2000 and CY2001 can be estimated as follows:

Estimates for the commercial beef meat production in 2000, 2001 and 2002 (preliminary) in MT (CWE) without stocks

	Meat Output from slaughter houses	Meat Imports	Imports of beef edible offal for processing	Meat Exports	Total commercial beef meat supply for the market
2000	13,579	8,017	1,775	103	23,268
2001	8,645	15,261	814	130	24,590
2002	10,670	13,000	1,000	330	25,000

It is expected that the commercial beef market/supply will continue to increase slightly in size and to reach 25,000 MT in CY2002. Since these estimates do not include beef in imported processed meat products due to lack of data, it is believed that the actual size of beef commercial market is higher, about 27,000 MT-28,000 MT.

The most important trend on the beef commercial market in 2002 and 2003 is expected to be the increase of supply of higher value beef cuts both locally produced and imported due to stable growth in the food service sector over the last 3 years, and favorable demand.

Consumption

Total Meats

According to National Statistical Institute, annual meat consumption per capita in the country in CY2000 was 30 (29.7) kilos of which 18 kilos of meat and 12 kilos of processed meat products; this figure in CY2001 was 27 kilos or a decline of 10 percent. The data does not take into account on-farm consumption. Based on these statistics, meat per capita consumption in CY2000 and CY2001 in kilos is the following:

CY2000: 43.2 kilos (total 346,000 MT) of which 29.7 kilos (238,000 MT) or 69 percent commercially consumed meat and 13.5 kilos (108,000 MT) or 31 percent consumed from on-farm production.

CY2001: 33 kilos (total 264,000 MT) of which 27 kilos (216,000 MT) or 82 percent commercially consumed meat and 6 kilos (48,000 MT) or 18 percent on-farm consumption.

As it is seen from these estimates, the major reduction in meat consumption in 2001 was on the expense of on-farm consumption while commercial consumption registered a lower decline of about 10 percent.

Based on the above figures, total meat commercial consumption for CY2000 is estimated at 238,000 MT and at 216,000 MT in CY2001. If compare total estimated meat commercial production in CY2000 (96,000 MT to 100,000 MT) and in CY2001 (91,000 MT to 95,000 MT) to the above commercial consumption, it turns out that about 120,000 MT to 140,000 MT of red meats are consumed commercially per year without official registration. Reasons for this trend are hidden production volumes by suppliers: farms, slaughter houses, meat producers and processors, less by importers; as well as wholesale/retailers and food service outlets or all industry players. More precise estimates for this so called "grey"segment on the market will require detailed survey and analysis as well as precise sales data from retail and food service sectors. Data used for these estimates is based on household surveys and it is not always very accurate.

Beef Meat Consumption

Commercial market of beef has reduced over the last 4 years after the BSE crisis in the EU. However, over the last two years, there is a tendency of slight revitalization of consumer interest in beef meat, both for processing and for direct consumption. A significant factor contributing for this trend is the fact the Bulgaria is known to be free of BSE. Another factor for higher demand was general decline in meat production and higher demand, especially in CY2001, when prices of other meats increased significantly. Beef was a good alternative to expensive pork for meat processors. Therefore, the share of beef in total read meat production increased from 19 percent in 2000 to 26 in CY2001; and the beef meat share in consumption increased from 20 percent to 29 percent. In CY2002, with the decline in pork prices, beef meat share dropped to 22 percent in production and 24 in consumption. Expectations for CY2003 are for a slight increase in beef share in total meat production to 23 percent; and in consumption to 26 percent despite the decline in total production.

Prices
(see Tables #4 and #5)

Wholesale prices of beef in CY2000 and CY2001 were higher than in the previous three years. Prices in CY2002 are expected to be slightly lower than in CY2001 due to higher local production. Higher livestock prices motivated increase in meat prices, thus average beef halves wholesale price in CY2001 was 34 higher than in CY2000; for beef legs (round) the increase was 9 percent. This is interesting to note that retail prices also increased in CY2001 over CY2000, 6 percent for veal with bones and 9 percent for veal steaks, however, this increase was not in parallel with more significant increases in livestock prices and wholesale meat prices. This is due to consumer income limitations which forced processors to distribute livestock/meat price increase in both fresh meat cuts for sale and in processed meat products (13 percent increase for perishable processed meat products and 11 percent increase for non perishable meat products).

Trade

Exports

Cattle

Bulgaria exports a small number of cattle/calves mainly for slaughtering to the Near and Middle-East, and North Africa countries based on traditional ties. Lately these exports diminished due to lower number of animals but was a bit higher in CY2000 and CY2001 due to the fact that Bulgarian export supply was known to be free of BSE. About 20,000 to 25,000 head of cattle are expected to be exported in 2003. Bulgaria does not export live cattle to the EU since the most recent EU classification on BSE risk put Bulgaria in relatively high risk category. This is mainly due to the lack of sophisticated lab for BSE tests. In CY2002, Bulgaria will complete the first specialized EU-funded BSE test laboratory.

Beef

Bulgaria has a quota for exports to the EU for beef, fresh, chilled and frozen at 20 percent import duty for 250 MT. There is an export quota for Macedonia at 50 percent reduction of import duty or 9 percent plus 0.0250 Euro/kilo for 300 MT.

Quotas for the EU are not filled since Bulgarian beef is not competitive in terms of quality and price on the EU market. Traditional market for small quantities of local beef are Macedonia and Yugoslavia (see the export trade matrix).

Imports

Beef imports in CY2001 doubled compared to CY2000 (See detailed trade data in tables #6 and #7). Beef imports are almost entirely of beef trimmings for processing as well as beef edible offal for processing and direct consumption. In CY2002, Bulgaria started to import small quantities of high quality U.S. beef steaks.

Major suppliers of beef to Bulgaria are Brazil, Argentina and most recently Czech Republic. Australia is still supplying beef but in the last two years, these quantities fall below 1,000 MT compared to much higher imports in the past.

Veterinary policy

On December 4, 2000, Bulgaria introduced a ban on imports of cattle and beef from the EU due to BSE. On March 2, 2001, another import ban was imposed due to FMD outbreaks from a number of countries in the EU. On March 14, 2001, an import ban due to FMD was imposed for imports from Argentina and Brazil. On July 3, 2001, Bulgaria also banned imports of cattle, beef and other cattle products from Greece due to disease concerns.

Basic Import Duties

HS#	Product	Import Duty
HS#0201	meat from bovine animals, fresh or chilled	
	whole, in cuts, bone-in and boneless	5% plus 244 Euro/MT
HS#0202	meat from bovine animals	
	frozen	
HS#0202 10	whole or half carcasses	5% plus 244 Euro/MT
HS#0202 2030 0202 20 50	other bone-in cuts (fore and hind quarters)	5% plus 244 Euro/MT
HS#0202 2090	other	5% plus 102 Euro/MT
HS#0202 30	Boneless	
HS#0202 3010 0202 30 50	fore and hind quarters	5% plus 97 Euro/MT
HS#0202 3090	other	5% plus 97 Euro/MT

Beef quotas

According to GATT agreement, the following beef quotas are available for 2002, total 19,800 MT:

HS#0202 -	High quality meat from bovine animals - 1,000 MT at 0%
HS#0201 30; 0202 30 10; 0202 30 50; 0202 30 90	Other high quality boneless cuts, fresh, chilled or frozen - 500 MT at 10% duty
HS#0201 10; 0201 20 20; 0201 20 30; 0201 20 50; 0201 20 90; 0201 30	Fresh or chilled bone-in or boneless meat - 1,000 MT at 10%
HS#0202 10	Frozen bone-in whole and half carcasses - 2,000 MT at 10%
HS#0202 20 30; 0202 20 50	Bone-in frozen cuts - 10,200 MT at 85.% of which 8,149 MT is for the EU and 2,051 MT for non-EU
HS#0202 20 30; 0202 20 50	Bone-in frozen cuts - 1,000 MT at 0%
HS#0202 30	Boneless frozen cuts - 4,100 MT at 10%

Trade Agreements

EU: The EU has the largest portion in beef import quotas (see above). Imports of cattle offal for pharmaceutical industry are duty free. No other preferences are available for 2002.

CEFTA: The following are the maximum import duties applied upon imports of commodities originating from CEFTA countries:
HS#0201 - 25%;
HS#0202 - 25%
There are no other specific preferences in imports of beef from CEFTA countries.

Turkey and Macedonia: no preferences
Croatia: The max import duty for HS#0201 and HS#0202 is 25 percent without any quantitative restrictions.
Estonia: There is an import quota of 300 MT for HS#0202 with a 8.5 percent import duty.
Israel: no preferences

Policy

In the period since CY2000, Bulgaria started actively to harmonize its veterinary and livestock related policy and legislation with the EU. The emphasis is given to food safety issues , quality of meat products and application of hygiene standards in meat processing plants and slaughter houses. As of August 2001, the meat processing plants in the country are 725 of which 55 were temporarily closed until they will be able to apply the EU hygiene norms and 21 plants were shut down with no chance to be re-opened later.

In April 2000, Bulgaria approved a special eradication program for monitoring of FMD for the period to December 2001. This programs included daily regular tests of animals in all villages located in border area with Turkey and Greece.

In March 2001, a special BSE eradication program was approved. This program included tests of about 2000 cattle aged more than 24 months which consumed meat and bone meal as well as their generation. This group of tested animals also included all imported animals and their generation which entered the country over the last 20 years from Denmark, Germany, Holland, Austria and from countries with registered cases of BSE. Livestock owners were obliged not to use them for human consumption or for feed, for manure, for cosmetic or medical products until the tests results were not final. As a result of these tests and ongoing research, Bulgaria prevented a BSE outbreak.

In September 2001, Blue tongue cases were registered. However, the appropriate measures were immediately taken and the diseases did not have any significant negative economic results. The latest few cases of Blue tongue disease were registered in August 2002.

Bulgaria did not register FMD outbreaks in the last 4 years. Due to stringent control and especially vet border control with neighboring countries, several of FMD outbreaks in these countries in the period 1999-2002 were not transmitted to the domestic market. According to the International Organization of Epizootic in Paris, Bulgaria is recognized as a country free of FMD.

In 2000/01, the MinAg, Ministry of Health Care, Livestock and Meat Research Institutes and the Association of Meat Processors developed a manual for good manufacturing practices in the meat industry. This manual was harmonized with the EU Directive 93/94 of July 1993 for hygiene of food products and several local ordinances (Ordinance #19 of September 1996 of the MinAg for hygiene conditions in the food processing enterprises and conditions for production of quality and safety foods; Ordinance #22 of August 1998 for veterinary and hygiene requirements for establishment of operations of slaughter houses and sales of fresh meat; and Ordinance #28 of November 1998 for veterinary, sanitary and hygiene conditions for construction and operations of meat processing products.

Marketing

There are five major livestock markets established with the financial assistance of the European PHARE program (in Vulchi Dol, Sevlievo, Razgrad, Stara Zagora, and Chaskovo) and another four have developed on their own.

Bulgarian meat processors were very active 2000-2002. Many have invested in new processing facilities, modern equipment and retail outlets. Processors also started active advertizing and generally better promotion.

U.S. Market Opportunities

The beef market in Bulgaria continues to be good and the prospects are optimistic. Therefore, AgOffice recommends a continuation of market promotion activities in coordination with the U.S. Meat Export Federation.

Swine, Pork

PSD Table, Swine, Animal Numbers and Meat, Pork for CY2000

PSD Swine, Animal Numbers, CY2000, 1000 head		PSD, Meat, Pork, CY2000, 1000 MT	
TOTAL Beginning Stocks	1512	Slaughter (Reference)	3066
Sow Beginning Stocks	171	Beginning Stocks	20
Production (Pig Crop)	3163	Production	224
Intra EC Imports	1	Intra EC Imports	0
Other Imports	0	Other Imports	11
TOTAL Imports	0	TOTAL Imports	11
TOTAL SUPPLY	0	TOTAL SUPPLY	255
Intra EC Exports	4676	Intra EC Exports	0
Other Exports	0	Other Exports	0
TOTAL Exports	0	TOTAL Exports	0
Sow Slaughter		Human Dom. Consumption	227
OTHER SLAUGHTER	0	Other Use, Losses	8
Total Slaughter	3066	TOTAL Dom. Consumption	235
Loss	467	Ending Stocks	20
Ending Inventories	1143	TOTAL DISTRIBUTION	255
TOTAL DISTRIBUTION	56		

PSD Table, Swine, Animal Numbers

PSD Table						
Country	Bulgaria					
Commodity	Animal Numbers, Swine				(1000 HEAD)	
	Revised	2001	Preliminary	2002	Forecast	2003
	Old	New	Old	New	Old	New
Market Year Begin		01/2001		01/2002		01/2003
TOTAL Beginning Stocks	1600	1143	1700	1300	1750	1100
Sow Beginning Stocks	195	137	195	140	0	120
Production (Pig Crop)	3700	2534	3725	2590	0	2220
Intra EC Imports	0	1	0	0	0	0
Other Imports	0	0	0	1	0	1
TOTAL Imports	0	1	0	1	0	1
TOTAL SUPPLY	5300	3678	5425	3891	1750	3321
Intra EC Exports	0	0	0	0	0	0
Other Exports	0	0	0	0	0	0
TOTAL Exports	0	0	0	0	0	0
Sow Slaughter	0	0	0	0	0	0
OTHER SLAUGHTER	3300	2010	3350	2401	0	1988
Total Slaughter	3300	2010	3350	2401	0	1988
Loss	300	368	325	390	0	333
Ending Inventories	1700	1300	1750	1100	0	1000
TOTAL DISTRIBUTION	5300	3678	5425	3891	0	3321
Calendar Yr. Imp. from U.S.	0	0	0	0	0	0
Calendar Yr. Exp. to U.S.	0	0	0	0	0	0

PSD Table, Meat, Pork

PSD Table						
Country	Bulgaria					
Commodity	Meat, Swine				(1000 MT CWE)(1000 HEAD)	
	Revised	2001	Preliminary	2002	Forecast	2003
	Old	New	Old	New	Old	New
Market Year Begin		01/2001		01/2002		01/2003
Slaughter (Reference)	3300	2010	3350	2401	0	1988
Beginning Stocks	1	20	3	16	7	13
Production	250	121	260	180	0	150
Intra EC Imports	0	0	0	0	0	0
Other Imports	10	22	10	12	0	20
TOTAL Imports	10	22	10	12	0	20
TOTAL SUPPLY	261	163	273	208	7	183
Intra EC Exports	0	0	0	0	0	0
Other Exports	3	0	3	0	0	0
TOTAL Exports	3	0	3	0	0	0
Human Dom. Consumption	242	142	250	190	0	170
Other Use, Losses	13	5	13	5	0	4
TOTAL Dom. Consumption	255	147	263	195	0	174
Ending Stocks	3	16	7	13	0	9
TOTAL DISTRIBUTION	261	163	273	208	0	183
Calendar Yr. Imp. from U.S.	0	0	0	0	0	0
Calendar Yr. Exp. to U.S.	0	0	0	0	0	0

Import Trade Matrix, Swine, Animal Numbers, CY2000, CY2001, partial CY2002

Import Trade Matrix					
Country	Bulgaria		Units:	number of head	
Commodity	Animal Numbers, Swine		Partial Begin		
			Partial End		
Imports for:	2000	2001	2002	2000	2001
	Full	Full	Full	Partial	Partial
U.S.					
Others					
Denmark	816	822	489		
Czech Republic	0	0	100		
Germany	0	0	40		
Cyprus	0	0	14		
Total for Others	816	822	643	0	0
Others not Listed					
Grand Total	816	822	643	0	0

Export Trade Matrix, Swine, Animal Numbers, CY2000, CY2001

Export Trade Matrix					
Country	Bulgaria		Units:	number of head	
Commodity	Animal Numbers, Swine		Partial Begin		
			Partial End		
Exports for:	2000	2001	2002	2000	2001
	Full	Full	Full	Partial	Partial
U.S.					
Others					
Yugoslavia	135				
Total for Others	135	0	0	0	0
Others not Listed					
Grand Total	135	0	0	0	0

Import Trade Matric, Meat, Pork, CY2000, CY2001 and partial CY2002

Import Trade Matrix					
Country	Bulgaria		Units:	metric tons	
Commodity	Meat, Swine		Partial Begin		
			Partial End		
Imports for:	2000	2001	2002	2000	2001
	Full	Full	Full	Partial	Partial
U.S.	40	472	2008		
Others					
Belgium	2817	2951	450		
France	1880	3680	773		
Denmark	766	3567	754		
Germany	1173	1000	478		
The Netherlands	1439	857	415		
Canada	0	1272	2322		
Hungary	134	1250	878		
Spain	591	179	35		
Greece	109	1323	58		
Austria	57	589	252		
Total for Others	8966	16668	6415	0	0
Others not Listed	2031	4848	634		
Grand Total	11037	21988	9057	0	0

Export Trade Matrix, Meat, Pork, CY2000, CY2001, partial CY2002

Export Trade Matrix					
Country	Bulgaria		Units:	metric tons	
Commodity	Meat, Swine		Partial Begin		
			Partial End		
Exports for:	2000	2001	2002	2000	2001
	Full	Full	Full	Partial	Partial
U.S.					
Others					
Russia	4	2	2		
Ukraine	9	13	4		
Malta	16	15	4		
Saint Vincent	5	8	0		
Greece	13	12	0		
Azerbaijan	0	21	0		
Macedonia	0	0	2		
Total for Others	47	71	12	0	0
Others not Listed	135	125	52		
Grand Total	182	196	64	0	0

Production

General

The data in the PSD table for animal numbers was revised based on official GOB statistics and industry data for stocks as of January 1, 2000-2002. Data for swine numbers showed the biggest discrepancy among various state and industry sources compared to other types of livestock (see cattle section for details). For example, the statistical office in the MinAg reported total swine stocks as of January 1, 2000 at 648,000 head and as of January 1, 2001 at 789,000 head. The same source reports sows numbers at 73,000 head and 89,000 head for CY2000 and CY2001, respectively. This office reports swine numbers as of May 1, 2002 at 867,000 head with 68,000 sows. Other MinAg sources report numbers as of July 1, 2002 at 1,000,000 head for total swine and 110,000 sows.

AgOffice numbers used in this report are supported by industry groups and independent consultants and experts. It is possible, however, if a final data is released, the AgOffice to update this report with lower numbers. If this happens, than the PSD for pork meat would be changed in a way that larger pork imports are needed.

Regardless the exact total swine numbers, experts and government officials are unanimous that the number of swine in CY2001 continued to decline as the reduction was 25 percent for total hogs of 20 percent of sows. The largest drop in hogs numbers was registered in north west ad south west regions, about 40 percent. This significant reduction was mainly at farms in non-grain production regions which had higher feed costs. Due to drought in CY2000 and CY2001, feed shortages and subsequent high prices forced most small and medium sized pork farms to limit the production as the survivals were large commercially oriented complexes/farms. Currently, about 30 percent of hogs are raised in north east region (where the grain production is concentrated), followed by north central region.

Another reason for the decline in hog numbers was the replacement of genetic stocks and improvement in breeds which started at commercial farms 2 years ago and is still underway. This improvement of breeds was related to new management plans to respond to competition from imports with better quality; and to the EU requirements for higher percent of tender meat and lower fat. For this purpose, new cross breeds with "Hampshire", "Pietren" and "Durok" were recommended for better feed utilization and better tender meat output.

The birth rate use in PSD table is 18.5 for the three consecutive years is. The number of slaughtered animals is a remaining figures after deduction of the loss rate which is estimated at 10 percent to total supply, due to reduction in feed supplies over the last two years.

The major risks the pork farms face today are: a tight local market due to stagnant consumer income; no export opportunities; fluctuating feed prices; more stringent demand for better quality meat which requests investment in new breeds and improved feeding.

Production Factors

Over the last two years, commercialization of the swine/pork sector increased rapidly. Unlike beef production, pork is more commercially oriented, about 70 percent of hogs are raised at commercial farms. These farms usually have feed mills to cut costs of feeding and to maintain control of feed quality. There are 58 large farms supplying pork for the commercial market which account for 90 percent of pork production. Most commercial pig farms started to stabilize or even enlarge their stocks, and currently, the majority of commercial supply is secured by five- ten major producers.

Prices

In CY2001, pork industry enjoyed favorable prices which was a welcome relief after low prices registered in CY2000. On average, CY2001 ex-farm purchased prices for live hogs were 30 to 35 percent higher than the production cost.

The CY2001 reduction in hog numbers paralleled the increase in ex-farm prices for live swine. Pork producers enjoyed the highest ex-farm prices well above those received in the previous 3 years. The average for the year was 2.44 Bleva/kilo LWE to 2.52 Bleva/kilo LWE (see Table #3) or a 43-48 percent increase compared to CY2000 and 92-98 percent compared to CY1999 (1.70 Bleva/kilo LWE in CY2000 and 1.27 Bleva/kilo LWE in 1999). In some areas in the country, the increase in ex-farm prices for live hogs in CY2001 was 65-70 percent compared to CY2000. The share of ex-farm prices for live swine to average retail prices of pork reached its maximum of 47 percent in CY2001 compared to 36 percent in 1999 and 42 percent in 2000.

As of February 2002, average ex-farm prices were 2.30 - 2.60 Bleva/kilo LWE for fatted pigs and 2.00-2.40 Bleva/kilo LWE for sows. By April, CY2002, most pork farms which started the production cycle in CY2001 fall had their finished hogs for sale which led to oversupply and hogs/pork prices declined significantly to about 1.20 - 1.50 Bleva/kilo ($0.60-0.75/kilo) in LWE.

Production Technology

Medicinal and vaccine practices improved due to enlargement of farms and more efficient management. However, the outbreak of swine fever in April 2002 showed that despite free-of-charge vaccinations by private veterinarians, some weaknesses in the disease programs developed due to lack of knowledge among small/medium farmers, and lack of stringent state vet control over on-farm production.

Production Problems

Several cases of fever and brucellosis outbreaks were reported. In 2002, about 360 pigs were destroyed due to swine fever outbreaks at 12 regions. Local vet legislation requires mandatory free of charge vaccination.

Pork Meat Production

Average LWE for swine in the PSD table for CY2002 and CY2003 is 110 kilos per head or 75 kilos CWE per head which is also based on the last 5-years average index with the exception of CY2001. Indexes registered in the slaughter houses in CY2000 and CY2001 were average for piglets, fatted pigs and other pigs (see cattle section tables).

The average LWE for swine registered a significant reduction in CY2001 compared to CY2000. Hogs' average LWE dropped to 93 kilos and CWE to 60 kilos compared to usual 110 kilos LWE and 75 CWE, which negatively affected the volume of produced meat. This exceptional decline was a result of higher demand for meat and higher prices which motived farmers to seek a fast return.

Pork Production Cost

Production cost of pork in CY2001 was in a range of 1.70 Bleva/kilo LWE to 2.20 Bleva/kilo LWE ($1.10/kilo).

About 70-75 percent of pork production cost is for feed expenses. In CY2001, feed prices were higher than in CY2000 but stayed stable during the year (see Table #2) . The average annual prices of compound feed were 529 Bleva/MT ($264/MT) for starters; 441 Bleva/MT for growing pigs ($220/MT) and 367 Bleva/MT ($183/MT) for fattened pigs. These compound feed prices had very slight fluctuations during CY2001, from 2 to 8 percent. In general, compound feed prices in CY2001 were from 12 to 20 percent higher than in 2000.

Most commercial farms have their own grain production or feed mill. The location of farms is close to grain production regions. In CY2001, farms were using own piglets due to higher prices of piglets from: 4-5 Bleva/kilo LWE in CY2001 fall to
7.0-9.0 Bleva/kilo LWE in the first two months of 2002. The average feed conversation rate was 3.20- 3.70 kilos of feed for a kilo of growth. In the first two months of 2002, the production cost at most pork farms was stable at 1.76 Bleva/kilo LWE to 1.89 Bleva/kilo LWE with 25 percent profitability. In cases, when pork farms have their own grain and feed mill production, profitability can reach 35 percent.

Pork farms, which use bank credit for operational financial needs, work with annual interest rates of 16 to 20 percent. As a result, their production cost is higher. These pork farms which are not using bank credits and are able to finance their own feed production or to provide advance purchases of grains from grain farms, manage to reduce significantly feed cost and total production cost by at least 20 percent.

The other elements in production cost are labor cost, about 13 percent on average, 3 percent for vet service and 14 percent for electricity, water, transportation etc.

Average Annual Production Cost of Swine in USD for the period 1997-2001					
	1997	1998	1999	2000	2001
USD/kilo LWE	1.37	.89	0.95	0.99	0.99

Pork Meat Prices

Wholesale prices

Wholesale price of pork, in carcasses, without skin, with fat, in CY2001 varied from 4.70 to 5.00 Bleva/kilo ($2.50/kilo) with a minimum in January 2001 and a maximum in May 2001. Between May and December 2001, prices were 4.95 to 4.99 Bleva/kilo.

Average wholesale price of pork, in carcasses, without skin, without fat (left at 1.5 centimeter fat) were 5.50 to 6.00 Bleva/kilo ($3.0/kilo) but unlike the previous category the maximum prices were in the winter months, November - December 2001.

Average wholesale prices for pork round (leg) were gradually increasing during the year with a maximum in December 2001, 6.70 Bleva/kilo ($3.35/kilo). In the summer, the price was stable at 6.60 Bleva/kilo ($3.30/kilo). In the resort areas, these prices were higher at 7.00 to 7.20 Bleva/kilo ($3.60/kilo) from July to December 2001 due to higher demand.

Pork neck average wholesale prices were also gradually increasing with the highest price in December 2001 of 7.40 Bleva/kilo ($3.70/kilo).

Wholesale prices of processed meat products (usually they contain at least 60 percent of pork) followed the trends in pork meat prices. Thus, perishable meat products wholesale prices varied from 2.92 Bleva/kilo to 3.16 Bleva/kilo ($3.58/kilo). Average price in August exceeded 3.00 Bleva/kilo ($2.50/kilo) and continued to increase until December 2001. Non-perishable meat products had a same price trend as their prices started to increase after July until December 2001, to reach 6.30 Bleva/kilo ($3.15/kilo).

Retail Prices

Retail prices of pork meat followed the same trend as for the wholesale prices:
- pork round (leg) - from 7.07 Bleva/kilo to 7.26 Bleva/kilo ($3.63/kilo); minimum in August 2001, maximum in December 2001;
- pork neck - from 7.17 Bleva/kilo (July) to 7.40 Bleva/kilo($3.70/kilo) (December);

Retail prices continued to slide upward in January and February 2002 to 7.40 Bleva/kilo for pork round and 7.50 Bleva/MT for pork neck ($3.75/kilo).

Retail prices of processed meat products followed the trend of wholesale prices:
- Perishable meat products retail prices were 3.76 Bleva/Kilo in December 2001 and 3.78 Bleva/kilo ($1.89/kilo) in February 2002;
- Non perishable meat products retail prices were 7.32 Bleva/kilo in December 2001 and little higher in February 2002.

Commercial Pork Production

Estimates for the commercial pork meat market in 2000, 2001 and 2002 (preliminary) in MT (CWE) without stocks					
	Meat Output from slaughter houses	Meat Imports	Imports of edible offal for processing	Meat Exports	Total commercial meat market
2000	48,753	11,037	12,934	182	72,542
2001	31,851	21,988	12,312	196	65,955
2002	45,900	12,000	12,000	100	70,000

Commercial pork supply for the market is estimated to vary between 66,000 MT and 73,000 MT over the last 3 years. Shortage of pork in CY2001 was compensated by higher imports but still the local commercial market was shrunk. Higher prices also contributed to the decline in the commercially marketed pork. In 2002, it is expected that higher pork production will lead to higher commercial supply to levels close to the 2000-year volume in slaughter houses. Slightly lower prices are expected to affect imports which will lead to stable commercial pork segment of about 70,000 MT.

More precise estimates for the commercial pork market should include also imported processed pork products. Due to lack of accurate data, it can be assumed that out of total 4,792 MT imported processed meat products in CY2000, about 3,500 MT was pork which means a commercial segment of 74,000 MT; in CY2001, imported processed meat products are 6,911 MT or about 5,000 MT of pork which means a commercial segment of 70,000 MT. The forecast for CY2002 is for another 5,000 MT of pork in a form of imported processed meat products or a commercial segment of 75,000 MT.

Consumption

Pork continues to hold the largest share in local meat production and consumption, usually above 60 percent. In CY2001, shortage of pork on the market led to a decline in pork share

in total read meat production from 63 percent in CY2000 to 51 percent in CY2001; and in consumption from 66 percent to 54 percent in CY2001. The pork share in CY2002 are expected to rebound to 61 percent both in production and consumption
(due to more reasonable prices and better supply). Similar to beef, Bulgaria is a net importer of pork, therefore, pork consumption traditionally exceeds pork production due to imports.

Meat (mainly pork) destined for further processing in CY2000 was reported to be about 40,000 MT (source: National Statistical Institute). This figure stayed stable in CY2001/02 at about 41,000 MT to 42,000 MT. According to the same source, commercial production of edible offal was about 4,000 MT; lard output was 300 MT to 500 MT; and production of processed meat products was 27,000 MT (CY2000) and 35,000 MT (CY2001). It is estimated, that these figures are under reported for various reasons, and that production of processed meat products in CY2001 was about 100,000 MT (Source: Association of Meat Processors).

Trade

Exports

Bulgaria has an export quota to the EU at duty free access for 2,000 MT. There is a another quota for export of 200 MT of pork to Macedonia at 50 percent reduction in import duty or 10 percent plus 0.21 Euro/kilo.

Currently, Bulgaria does not export pork to the EU due to mandatory vaccination of hogs against swine fever. Exports are very small.

Imports

In CY2002, the GOB approved a reduced import duty quota for 7,000 MT of pork for the first six months of the year regardless the origin of the products. This quota was initiated by the Association of Meat Processors (AMP). The initial proposal of the AMP was for 12,000 MT, however, the GOB did not agree with the argument to protect local pork industry. This quota was quickly used in two months, by March 2002. The AMP initiated as well a duty free import quota for pork fat with no quantitative limits for the whole CY2002 which was well used by importers and welcomed by meat processors. Based on the fill rates of these quota, the AMP plans for have similar quotas for pork meat and pork fat for CY2003. However, it is not likely that this proposal will be fully accepted by the GOB due to the recent protest of pork farms (April-June) which blamed TRQ for pork for the low ex-farm purchase prices (1.30 - 1.50 Bleva/kilo LWE in April).

Basic Import Duties

HS#	Product	Import Duty
HS#0203	meat from swine, fresh, chilled or frozen	
	fresh and chilled	
HS#020311	whole or half carcasses	25% min.664 Euro/MT
HS#020312	shoulders, picnics, boston butt and cuts from them, bone-in	25% or min. 664 Euro/MT
HS#020319	other (it includes boneless cuts, loin, belly, ham, trimmings)	25% or min. 664 Euro/MT
	frozen	
HS#020321	whole or half carcasses	40% or min. 622 Euro/MT
HS#020322	shoulders, picnics, bottom butt and cuts from them, bone -in	40% or min. 622 Euro/MT
HS#020329	other (it includes boneless cuts, loin, belly, ham, trimmings)	40% or min. 622 Euro/MT

Tariff Rate Quotas

There is an import quota of 7,000 MT with a reduced import duty for pork at 100 Euro/MT for the first six months of CY2002. There is a second quota for 1,500 MT with 15 percent duty for the whole 2002.

Trade Agreements

EU: For the second half of the year, there is a duty free import quotas for 7,500 MT only for EU origin products. Although it was announced at these amount, it is assumed that this quota might be increased to 8,000 MT as the agreement with the EU calls for 500 MT annual increase (the quota was 7,500 MT in 2001).

CEFTA: The maximum import duty of 25% for HS#0203 is applied upon imports of commodities originating from CEFTA countries. There are no other specific preferences in imports of pork from CEFTA countries..

Turkey and Macedonia: no preferences
Croatia: The max import duty for HS#0203 is 25 percent without any quantitative restrictions.

Estonia: A duty free import quota of 300 MT for HS#0203 21-22-29 is applied.
Israel: no preferences

Policy

There are not any specific programs for the pork industry as well as for cattle/beef industries (see cattle/beef section). The State Fund Agriculture soft credit lines are for purchasing of breeding stocks and construction of farms. SAPARD funding is available but not intensively used at present.

Marketing

Market opportunities for U.S. pork for processing are very good. The limiting factor are relatively high import duties and duty free import quota for the EU origin pork which discriminate against U.S. pork products. The period April-September was not favorable for U.S. pork meat imports due to the drop in local pork prices and opening of the EU pork import quota (July 1). However, prices in November- December CY2002 are expected to stabilize at higher level and to motivate imports. It is expected also that the EU pork quota will be used by October which opens good market opportunities for U.S. pork in the last quarter.

Sheep, Lamb, Mutton and Goat

PSD Table, Sheep and Goat, Animal Numbers and PSD Table, Meat, Mutton, Lamb and Goat for CY2000

PSD Sheep, Animal Numbers, CY2000, 1000 head		PSD, Meat, Mutton, Lamb and Goat, CY2000, 1000 MT	
TOTAL Beginning Stocks	3595	Slaughter (Reference)	2867
Ewes, Beginning Stocks	2794	Beginning Stocks	2
Production (Lamb Crop)	3217	Production	63
Intra EC Imports	0	Intra EC Imports	0
Other Imports	0	Other Imports	0
TOTAL Imports	0	TOTAL Imports	0
TOTAL SUPPLY	6812	TOTAL SUPPLY	65
Intra EC Exports	18	Intra EC Exports	6
Other Exports	0	Other Exports	0
TOTAL Exports	18	TOTAL Exports	6
Ewe Slaughter	0	Human Dom. Consumption	49
Lamb Slaughter	2857	Other Use, Losses	8
Other Slaughter	0	TOTAL Dom. Consumption	63
TOTAL Slaughter	2857	Ending Stocks	2
Loss	681	TOTAL DISTRIBUTION	65
Ending Inventories	3256		
Total Distribution	6812		

PSD Table, Sheep, Animal Numbers

PSD Table						
Country	Bulgaria					
Commodity	Animal Numbers, Sheep				(1000 HEAD)	
	Revised	2001	Preliminary	2002	Forecast	2003
	Old	New	Old	New	Old	New
Market Year Begin		01/2001		01/2001		01/2001
TOTAL Beginning Stocks	0	3256	0	3200	0	3180
Ewes, Beginning Stocks	0	2547	0	2550	0	2500
Production (Lamb Crop)	0	2941	0	2925	0	2900
Intra EC Imports	0	0	0	0	0	0
Other Imports	0	0	0	0	0	0
TOTAL Imports	0	0	0	0	0	0
TOTAL SUPPLY	0	6197	0	6125	0	6080
Intra EC Exports	0	8	0	10	0	12
Other Exports	0	0	0	0	0	0
TOTAL Exports	0	8	0	10	0	12
Ewe Slaughter	0	0	0	0	0	0
Lamb Slaughter	0	2369	0	2323	0	2280
Other Slaughter	0	0	0	0	0	0
TOTAL Slaughter	0	2369	0	2323	0	2280
Loss	0	620	0	612	0	608
Ending Inventories	0	3200	0	3180	0	3180
TOTAL DISTRIBUTION	0	6197	0	6125	0	6080
Calendar Yr. Imp. from U.S.	0	0	0	0	0	0
Calendar Yr. Exp. to U.S.	0	0	0	0	0	0

PSD Table, Meat, Lamb, Mutton and Goat

PSD Table						
Country	Bulgaria					
Commodity	Meat, Lamb, Mutton and Goat				(1000 MT CWE)(1000 HEAD)	
	Revised	2001	Preliminary	2002	Forecast	2003
	Old	New	Old	New	Old	New
Market Year Begin		01/2001		01/2001		01/2001
Slaughter (Reference)	0	2369	0	2323	0	2280
Beginning Stocks	0	2	0	2	0	2
Production	0	52	0	51	0	50
Intra EC Imports	0	0	0	0	0	0
Other Imports	0	0	0	0	0	0
TOTAL Imports	0	0	0	0	0	0
TOTAL SUPPLY	0	54	0	53	0	52
Intra EC Exports	0	7	0	7	0	7
Other Exports	0	0	0	0	0	0
TOTAL Exports	0	7	0	7	0	7
Human Dom. Consumption	0	45	0	44	0	43
Other Use, Losses	0	0	0	0	0	0
TOTAL Dom. Consumption	0	45	0	44	0	43
Ending Stocks	0	2	0	2	0	2
TOTAL DISTRIBUTION	0	54	0	53	0	52
Calendar Yr. Imp. from U.S.	0	0	0	0	0	0
Calendar Yr. Exp. to U.S.	0	0	0	0	0	0

Import Trade Matrix, Sheep, Animal Numbers, CY2000 and CY2001

Import Trade Matrix					
Country	Bulgaria		Units:	number of head	
Commodity	Animal Numbers, Sheep		Partial Begin		
			Partial End		
Imports for:	2000	2001	2002	2000	2001
	Full	Full	Full	Partial	Partial
U.S.					
Others					
Germany	20				
Total for Others	20	0	0	0	0
Others not Listed					
Grand Total	20	0	0	0	0

Export Trade Matrix, Sheep, Animal Numbers, CY2000, CY2001 and partial CY2002

Export Trade Matrix					
Country	Bulgaria		Units:	number of head	
Commodity	Animal Numbers, Sheep		Partial Begin		
			Partial End		
Exports for:	2000	2001	2002	2000	2001
	Full	Full	Full	Partial	Partial
U.S.					
Others					
Lebanon	8409	1803	0		
Greece	0	4576	0		
Jordan	6827	1300	453		
Yugoslavia	3198	120	500		
Total for Others	18434	7799	953	0	0
Others not Listed					
Grand Total	18434	7799	953	0	0

Import Trade Matrix, Meat, Lamb, Mutton and Goat, CY2000, CY2001 and CY2002

Import Trade Matrix					
Country	Bulgaria		Units:	metric tons	
Commodity	Meat, Lamb, Mutton and Goat		Partial Begin		
			Partial End		
Imports for:	2000	2001	2002	2000	2001
	Full	Full	Full	Partial	Partial
U.S.					
Others					
Australia	40	16	0		
Ukraine	0	0	2		
Total for Others	40	16	2	0	0
Others not Listed		30			
Grand Total	40	46	2	0	0

Export Trade Matrix, Meat, Lamb, Mutton and Goat, CY2000, CY2001 and partial CY2002

Export Trade Matrix					
Country	Bulgaria		Units:	metric tons	
Commodity	Meat, Lamb, Mutton and Goat		Partial Begin		
			Partial End		
Exports for:	2000	2001	2002	2000	2001
	Full	Full	Full	Partial	Partial
U.S.					
Others					
Greece	5009	4971	2456		
Italy	801	1147	820		
Croatia	24	69	229		
Malta	1	1	1		
Austria	0	137	35		
Macedonia	0	4			
Germany	0	0	156		
Total for Others	5835	6329	3697	0	0
Others not Listed	44	565	29		
Grand Total	5879	6894	3726	0	0

Production

Animal numbers the PSD table are based on official data as of January 1, 2000-2002 for sheep and goats, and for ewes and she-goats. As for the other types of livestock, there was a discrepancy in data from various state and industry sources. The statistical office of MinAg reports sheep and goat stocks as of May 1, 2002 at 1,960,000 head and 1,000,000 head, respectively. The "Livestock" department to the MinAg reports sheep and goat stocks as of July 1, 2002 at 2,200,000 head and 1,000,000 head, respectively. Like in the case with cattle and swine, the AgOffice numbers used in this report are based on MinAg data and is supported by industry groups.

According to the latest data, 70 percent of farms have from 3 to 10 sheep and 30 percent of farms, from 11 to 50 sheep. Commercialization in this sector is still not well developed, similarly to the cattle sector.

The lamb/goat crop is calculated using 100 percent birth rate for sheep and 150 percent for goat. The loss rate is estimated at 10 percent to total supply. The number of slaughtered animals is a remaining figure after deducting exports and loss rate from total supply.

Meat production in the PSD table is based on the number of slaughtered animals. Average LWE for sheep in the PSD table for CY2002 and CY2003 is the same as in CY2000 and CY2001 or 45 kilos/head and 22 kilos CWE per head. The slaughter houses registered lower LWE/CWE indexes for lamb and goats bit since the exact statistical data is missing and the number of slaughtered sheep dominates over lambs and goats, the sheep slaughter indexes are used for the purpose of supply and demand balance. Indexes registered in slaughter houses in CY2000 and CY2001 are for lamb, sheep, young goats and goats.

In CY2001, slaughter houses reported increased slaughtering of sheep and lamb which was due to higher export demand for this type of meat for the EU market. Exports for the EU requires slaughtering only in EU approved slaughter houses. In CY2001, mutton and lamb exports were 17 percent higher than in 2000.

Production Factors

According to most trade experts, farm-gate prices in CY2000 were low for the majority of producers. However, the average prices in CY2001, like for other types of meat were satisfactory and provided reasonable profit for sheep farmers. The average increase in ex-farm prices in CY2001 over CY2000 was 10-20 percent.

Production Problems

There were cases of listeriosis, scrapie, and rabies, however, the precautions were taken in time to prevent widespread outbreaks.

Commercial market of mutton/lamb/goat is very small. It is estimated at less than 1,000 MT. This is related to the seasonality in demand around several spring religious holidays. Traditionally this type of meat is mainly produced and consumed on-farms.

Estimates for the commercial mutton/lamb/goat meat market in 2000, 2001 and 2002 (preliminary) in MT (CWE) without stocks					
	Meat Output from slaughter houses	Meat Imports	Imports of edible offal for processing	Meat Exports	Total commercial meat market
2000	6,508	40	21	5,879	669
2001	7,263	46	43	6,894	415
2002	7,200	40	40	6,500	700

Consumption

Mutton/lamb/goat meat continues to hold the smallest share in local meat production and consumption. The share in total red meat production is about 17-19 percent and in consumption this index is 14-16 percent. Since Bulgaria is a net exporter of this type of meat, production levels traditionally exceed consumption levels (unlike pork and beef). In CY2001, meat shortages stimulated higher use of this type of meat both in production and consumption (similarly to beef) and the respective shares increased to 22 percent in production and 17 percent in consumption. The mutton/lamb/goat meat share in CY2002 is expected to stabilize at 19 percent in production and 15 percent in consumption.

Trade

Exports

Bulgaria exports live sheep and lambs to the Near and Middle East countries as traditional markets are Lebanon and Jordan. In CY2001, Bulgaria also exported live sheep and lambs for Greece and small quantities for Yugoslavia.

Italy and Greece remained the major export markets for Bulgarian mutton and lamb. These exports are under a 7,000 MT quota provided by the EU. Therefore, it is not expected that exports in CY2003 will exceed the quota. Bulgaria currently has 4 approved slaughtering houses licensed by the EU for exports of mutton and lamb.

Imports

Current CY2002 import duties for live sheep, goats and respective meat are:

HS# 0104 10 00 1 Breeding animals - 0%
HS# 0104 10 00 9 Other - 278 ECU/MT
HS# 0204 10 00 0 - 10%
HS# 0204 21 00 0, 0204 22 10 0, 0204 22 30, 0204 22 50 0, 0203 22 90 0, 0204 23 00 0 - 15%
HS# 0204 30 00 0 - 10%
HS# 0204 41 00 0, 0204 42 00 0, 0204 43 00 0, 0204 50 00 0 - 15%

Imports from CEFTA countries of HS#0204 (mutton and lamb meat) is at free access (no import duty) with the exception of Slovenia for which the free access is within a quota of 10 MT.

Policy

See cattle and beef section for GOB policy.

Bovine Hides

PSD Table, Hides and Skins

PSD Table						
Country	Bulgaria					
Commodity	Hides & Skins, Bovine				(1000 MT)(1000 PCS)	
	Revised	2001	Preliminary	2002	Forecast	2003
	Old	New	Old	New	Old	New
Market Year Begin		01/2001		01/2001		01/2001
Beginning Stocks	0	0	0	0	0	0
Production In MT	0	6	0	7	0	6
Production In Pieces	0	461	0	561	0	561
Intra EC Imports	0	0	0	0	0	0
Other Imports	0	4	0	4	0	4
TOTAL Imports	0	4	0	4	0	4
TOTAL SUPPLY	0	10	0	11	0	10
Intra EC Exports	0	0	0	0	0	0
Other Exports	0	2	0	2	0	2
TOTAL Exports	0	2	0	2	0	2
Domestic Consumption	0	8	0	9	0	8
Ending Stocks	0	0	0	0	0	0
TOTAL DISTRIBUTION	0	10	0	11	0	10
Calendar Yr. Imp. from U.S.	0	0	0	0	0	0
Calendar Yr. Exp. to U.S.	0	0	0	0	0	0

Production

General

Production of bovine hides and skins is based on the conversion factor given in the reporting instructions (ten percent of bovine meat production). The average weight of one piece remained 13 kilograms.

Note: At present, official data about exports and imports are not available. The data reported in PSD table is based on not official industry information. For this reason, trade matrixes are also not available. The AgOffice will update this portion of the section as soon as such a data is released locally.

CONSUMPTION

General

The level of consumption is based on the domestic supply available after exports. Local leather factories could not offer attractive prices and contract terms to producers to stimulate domestic production and preferred using imported hides and skins due to their better quality.

As in the past, over the last two years leather factories have had to compete against illegal and low-priced imports of leather products (such as shoes, handbags, jackets) from Turkey, Greece, Syria and China. Therefore, local companies could not market their finished products, which led to lower hides and skins consumption. Since a significant change in this situation is not expected, the AgOffice projects only a slight increase in consumption.

TRADE

Bovine hides and skins continued to be imported mainly from Italy and Turkey. Most of Italian exports were destined for production of shoes in Bulgaria which afterwards is exported back to Italy. See the note in the production section.

Currently, the entire sector (7 - 10 large factories) is in private hands. There are also about 500 newly established small and medium size (up to 20 workers) private processors (mainly producers of shoes). According to industry data, about 70 percent of leather products produced in Bulgaria are exported.

Bulgaria did not import any U.S. hides and skins. There are still good niche market opportunities for U.S. hides and skins because of the size of import market and expected revitalization and export potential of leather industry (most processors import hides and skins, if needed, for exports). The major constraints for U.S. exporters are the traditional ties with Italy and Turkey as well as price competition.

Current CY2002 import duties for bovines hides and skins, and wool are as follows:

HS#4101 - 0%
HS#4104 - 0% with the exception of
HS#4104 11 90, 4104 19 59 - 5.5%;
HS#4104 41 - 6.5%
HS#4104 49 - 6.5%

HS#5101 - 0%
HS#5103 - 0%
HS#5105 - 4.3%

Imports of hides and skins (HS#4101-4104) and wool (HS#5101 -5105) from EU, EFTA, CEFTA countries and Turkey are at 0% import duty.

There are no duty free import quotas for hides and skins and wool.

Tallow

PSD Table, By-Products, Tallow and Grease

PSD Table						
Country	Bulgaria					
Commodity	By-Products,Tallow & Grease				(1000 MT)	
	Revised	2001	Preliminary	2002	Forecast	2003
	Old	New	Old	New	Old	New
Market Year Begin		01/2001		01/2001		01/2001
Beginning Stocks	0	0	0	0	0	4
Production	0	9		15	0	10
Intra EC Imports	0	0	0	0	0	0
Other Imports	0	0	0	0	0	0
TOTAL Imports	0	0	0	0	0	0
TOTAL SUPPLY	0	9	0	15	0	14
Intra EC Exports	0	0	0	0	0	0
Other Exports	0	1	0	1	0	1
TOTAL Exports	0	1	0	1	0	1
Domestic Consumption	0	8	0	10	0	10
Ending Stocks	0	0	0	4	0	3
TOTAL DISTRIBUTION	0	9	0	15	0	14
Calendar Yr. Imp. from U.S.	0	0	0	0	0	0
Calendar Yr. Exp. to U.S.	0	0	0	0	0	0

Import Trade Matrix, By-Products, Tallow and Grease, CY2001

Import Trade Matrix			
Country	Bulgaria		
Commodity	By-Products, Tallow & Grease		
Time period	2001	Units:	metric tons
Imports for:			1
U.S.		U.S.	
Others		Others	
Australia	26		
Sweden	13		
UK	13		
The Netherlands	2		
Total for Others	54		0
Others not Listed			
Grand Total	54		0

Export Trade Matrix, By-Products, Tallow and Grease, CY2001

Export Trade Matrix			
Country	Bulgaria		
Commodity	By-Products, Tallow & Grease		
Time period	2001	Units:	metric tons
Exports for:			1
U.S.		U.S.	
Others		Others	
Albania	480		
France	302		
Turkey	18		
Total for Others	800		0
Others not Listed	8		
Grand Total	808		0

Production

General

Official statistics for tallow and grease do not exist. Production is estimated based on GAIN instructions since official statistics do not include tallow from cattle nor from on-farm production (see pork section for some details on industrial lard production). The data in the PSD table is based on slaughter data in respective tables.

TRADE

Trade in by-products is very limited. Detailed trade figures for imports and exports in CY2000 and CY2002 are given in Table#8. Trade data in GAIN trade matrices shows figures for CY2001.

As in the past, exports were destined to traditional markets - Albania, France and Turkey. Imports are mainly from France.

Trade Regime

There is not a duty free import quota for lard, tallow and grease. Current import duties are as follows:

HS#1501 - 25% with the exception of 1501 00 90 0 - 15%
HS#1502 - 15%

Imports from CEFTA and EU countries are at 0% import duty.

Table 1. National number of livestock as of January 1, 2000, 2001,and 2002
in 1,000 head

Table 1. National number of livestock as of January 1, 2000, 2001,and 2002 in 1,000 head			
	2000	**2001**	**2002**
Cattle	691	647	640
Cows	440	424	410
Hogs	1512	1143	1300
Sows	171	137	120
Sheep	2549	2286	2200
Ewes	1947	1758	1800
Goats	1046	970	1000
She-goats	847	789	750
Total sheep and goats	3595	3256	3200
Total ewes and she-goats	2794	2547	2550

Table 2. Table 2. Farm-gate prices of feed grains by quarters in CY2000 and CY2001 in Bleva per MT

Table 2. Farm-gate prices of feed grains by quarters in CY2000 and CY2001 in Bleva per MT						
	2000			2001		
Qr.	Feed corn	Feed wheat	Feed barley	Feed corn	Feed wheat	Feed barley
I	170	160	140	250	220	210
II	190	170	150	260	230	220
III	220	160	160	230	170	160
IV	220	180	170	220	180	170
Av.	200	170	160	240	200	190
% 01/00				120	118	119

Table 3. Farm- gate prices of livestock per quarters in CY2000 and CY2001 in Bleva per a kilo in live weight

Table 3. Farm- gate prices of livestock per quarters in CY2000 and CY2001 in Bleva per a kilo in live weight											
	2000					2001					% 2001/2000
	I	II	III	IV	Av.	I	II	III	IV	Av.	
Hogs	1.37	1.37	1.79	2.25	1.70	2.45	2.53	2.53	2.25	2.44	144
Sows	1.10	1.10	1.46	1.84	1.38	1.97	2.03	2.13	2.23	2.09	151
Calves	1.35	1.35	1.47	1.54	1.43	1.70	1.74	1.70	1.74	1.72	120
Cattle	1.0	1.02	1.08	1.13	1.06	1.24	1.33	1.33	1.35	1.31	124

Table 4. Wholesale prices of meat cuts per quarters in CY2000 and CY2001 in Bleva per a kilo

Table 4. Wholesale prices of meat cuts per quarters in CY2000 and CY2001 in Bleva per a kilo											
	2000					**2001**					% 2001/2000
	I	II	III	IV	Av.	I	II	III	IV	Av.	
Pork halves	2.93	2.78	3.43	4.18	3.33	4.70	4.99	4.95	4.96	4.90	147
Pork leg	4.12	4.02	4.85	5.45	4.61	6.17	6.53	6.61	6.67	6.50	141
Pork neck	4.16	4.09	4.89	5.51	4.66	6.14	6.71	6.87	6.90	6.66	143
Beef halves	2.69	2.89	3.16	3.24	3.0	3.69	4.08	4.17	4.18	4.03	134
Beef leg	5.36	5.18	5.56	5.57	5.42	5.86	5.94	5.93	5.88	5.90	109

Table 5. Retail meat prices per quarters in CY2000 and CY2001 in Bleva per a kilo

Table 5. Retail meat prices per quarters in CY2000 and CY2001 in Bleva per a kilo											
	2000					2001					% 2001 /2000
	I	II	III	IV	Av.	I	II	III	IV	Av.	
Pork leg	4.74	4.66	5.77	6.59	5.44	7.13	7.12	7.10	7.16	7.13	131
Pork neck	4.77	4.67	5.80	6.68	5.48	7.27	7.23	7.21	7.30	7.25	132
Veal with bones	4.50	4.47	4.72	4.89	4.65	4.93	5.0	4.88	4.90	4.93	106
Veal steak	6.10	5.96	6.33	6.67	6.27	6.79	6.90	6.79	6.84	6.83	109
Lamb	5.97	5.83	5.75	5.93	5.87	6.88	7.45	6.83	6.90	7.02	119
Mutton	3.83	3.73	5.0	4.04	3.90	4.08	4.42	4.69	4.69	4.45	114
Meat prod. Peri-shab.	2.99	2.92	3.22	3.48	3.15	3.58	3.49	3.57	3.63	3.57	113
Non peri-shab.	6.53	6.37	6.81	7.27	6.75	7.38	7.34	7.45	7.80	7.49	111

Table 6. Imports and exports of meat and meat products in CY2000 and CY2001 in metric tons

Table 6. Imports and exports of meat and meat products in CY2000 and CY2001 in metric tons					
Import			Export		
	2000	2001		2000	2001
Beef, fresh and chilled	1.0	557	Beef, fresh and chilled	49	44
Beef, frozen	8,016	14,704	Beef, frozen	54	86
Pork, fresh and chilled	482	2,672	Pork, fresh and chilled	112	73
Pork, frozen	4,793	8,736	Pork, frozen	58	85
Pork, cured and salted*	1,321	1,336	Pork, cured and salted	12	17
Pork fat*	4,441	9,244	Pork fat	0	21
Mutton and lamb, frozen	40	46	Mutton and lamb, frozen	11	8
Mutton and lamb, fresh and chilled	0	0	Mutton and lamb, fresh and chilled	5,868	6,886
Breeding heifers	68	33	Breeding animals	667	0
Cattle for slaughter	0	0	Cattle for slaughter	40,948	24,220
Breeding swine	816	822	Swine for slaughter	135	0
Breeding sheep	20	0	Breeding sheep	3,331	2,143
Sheep for slaughter	0	0	Sheep for slaughter	15,103	5,656
Note:* Pork meat, cured and salted imports for the first half of 2002 were 760 MT, of which 200 MT supplied from the Netherlands and 186 MT imported from the United States; Pork fat imports for the first half of 2002 were 5,900 MT with the biggest suppliers France 1,500 MT; the Netherlands 1,000 MT and Greece 900 MT.					

Table 7. Imports of edible offal and processed meat products in CY2000, CY2001 and CY2002 (first six months) by countries in metric tons

Table 7. Imports of edible offal and processed meat products in CY2000, CY2001 and CY2002 (first six months) by countries in metric tons			
	2000	2001	2002
Total offal	14,730	13,169	4,601
Cattle offal, total	1,775	814	7
Liver, total	94	0	NA
USA	12	0	NA
Italy	8	0	NA
Germany	47	0	NA
Canada	18	0	NA
Other	9	0	NA
Tongue, total	184	0	NA
Brazil	86	0	NA
Argentina	62	0	NA
Other	36	0	NA
Other offal, total	1,497	814	NA
Argentina	111	24	NA
Austria	308	43	NA
Italy	180	0	NA
Spain	394	0	NA
Australia	0	447	NA
Brazil	0	175	NA
Other	504	125	NA

Sheep and goats offal, total	21	43	NA
Spain	5	0	NA
Australia	16	43	NA
	2000	2001	2002
Swine offal, total	12,934	12,312	4,514
Liver, total	1,051	1,497	888
USA	139	226	116
Canada	120	370	315
Spain	191	85	0
France	98	54	100
Greece	0	0	94
Other	503	762	3,626
Other offal, total	11,883	10,815	77
USA	0	1,373	NA
Belgium	2,205	592	NA
France	2,742	826	NA
Spain	1,733	127	NA
Austria	778	1,115	NA
Germany	1,449	1,127	NA
Canada	369	2,958	NA
Other	2,607	2,697	NA
Processed meat products and meat cans, total	4,792	6,911	NA
Processed meat products	2,842	2,030	NA
Austria	1,198	890	NA
Spain	686	351	NA
Greece	372	228	NA
Belgium	394	201	NA

Other	192	360	NA
Meat cans	1,950	4,881	NA
Spain	564	625	NA
	2000	2001	2002
Hungary	52	423	NA
Greece	382	229	NA
USA	0	260	NA
Belgium	497	727	NA
Other	455	3,242	NA

Table 8. Imports and exports of tallow, grease and lard in CY2000 and CY2002 (first six months) by countries in metric tons

Table 8. Imports and exports of tallow, grease and lard in CY2000 and CY2002 (first six months) by countries in metric tons					
Import			**Export**		
	2000	2002		2000	2002
Germany	38	0	Albania	906	141
Belgium	9	0	France	391	152
France	24	152	Turkey	98	0
Greece	10	2			
The Netherlands	3	2			
Finland	0	50			
Sweden	0	20			
Total	85 MT $ 45,381	80 MT $ 74,000	Total	1,399 MT $305,429	294 MT $157,000